

**Sumner County, Kansas  
Board of County Commissioners**

**Garey Martin  
Jim Newell  
Eldon Gracy**

**presentation to the  
Lottery Gaming Facility Review Board**

**July 11, 2008**

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## **TIMELINE**

### ***SUMNER COUNTY PROCESS FOR CONSIDERATION OF CASINO PROPOSALS***

- In December 2005, the voters of Sumner County approved a casino 4,842 to 2,838.
- In August 2007, the voters of Sedgwick County rejected a casino.
- In August 2007, the Board issued a Request for Proposals containing criteria and preferences for applicants seeking to develop and manage a gaming facility in Sumner County. The document was available to the public in the County Clerk's office and on the county's web site. (Tab 2)
- On October 1, 2007, the Board issued an addendum to the Request for Proposals. The addendum was available to the public in the County Clerk's office and on the county's web site. (Tab 3)
- On October 22, 2007, the Board asked the Kansas Lottery Commission to extend the deadline for submission of applications in the South Central Gaming Zone by 45 days.
- On October 24, 2007, the Kansas Lottery Commission voted to extend the deadline for applications in South Central Gaming Zone to December 28, 2007.
- A process for consideration of applications was published on the County's web site and distributed to all known developers interested in submitting an application in Sumner County. (Tab 4)
- To aid the Board in its consideration of the applications, the Board appointed a Proposal Comparison Committee to compile a comparison of the applications submitted. (Tab 5)
- Four applications were submitted to Sumner County at the Sumner County Courthouse on or before November 28, 2007.
- The Proposal Comparison Committee met on December 4-6, 2007. The meetings were open to the public.
- The Proposal Comparison Committee issued a final written report on December 6, 2007. That report was available to the public in the County Clerk's office and on the county's web site. (Tab 6)

- A public hearing was conducted on December 10-11, 2007, during which the Board heard presentations from the applicants and applicants answered questions from the Board.
- On December 11, 2007, the Board heard public comment from all individuals who had expressed an interest in providing such comments. The Board also received substantial written commentary from citizens of Sumner County and others. (Tab 7)
- On December 12, 2007, the Board considered the four applications, the information submitted by the applicants, the information received from the public during public comment and the written comments. The Board voted to endorse two applicants, Penn Sumner LLC and Marvel Gaming LLC.

**GAMING FACILITY CRITERIA AND DEVELOPMENT PREFERENCES**  
**FOR FACILITIES TO BE LOCATED IN SUMNER COUNTY, KANSAS**

**August 28, 2007**

**A. STATEMENT OF FACT**

1. Senate Bill No. 66 adopted by the 2007 Kansas Legislature provides the authorization and legal framework for the establishment and operation of the State owned gaming facilities in four designated gaming zones throughout the State of Kansas consistent with the terms and provisions of law and the regulations adopted by the Kansas Lottery Commission.
2. The above-referenced legislation provides the Kansas Lottery Commission, the Kansas Lottery Gaming Facility Review Board, and the Kansas Racing and Gaming Commission with the general selection criteria and a method for consideration of proposals from interested parties for the statutory privilege to manage a gaming facility.
3. Sumner and Sedgwick Counties comprise the South Central gaming zone under the provisions of Senate Bill No. 66. Sedgwick County voters having voted no on this issue, which deems Sumner County as the only county eligible under the terms set forth in Senate Bill No. 66 to have a gaming facility in the South Central Gaming Zone.
4. The governing bodies of Sumner County and its cities have reason to believe and anticipate that a number of proposals for gaming facility sites within Sumner County will be submitted to the above mentioned governing bodies and the Kansas Lottery Commission for consideration.
5. Senate Bill No. 66 requires that prior to the execution of any contract by the Kansas Lottery Commission and approval and selection of an applicant by the Lottery Gaming Facility Review Board, an endorsement of the applicant from the governing body of the City or County be submitted to the Kansas Lottery Commission.
6. The Sumner County Commission and the Cities who have signed this Request for Proposal, each wish to establish a basic uniform request for proposals to which each entity can add additional requirements specific to each entity, should it desire to do so and establish a uniform policy and procedure by which to evaluate and determine whether to endorse a specific proposal.

**B. JOINT SELECTION CRITERIA AND PREFERENCES**

The Sumner County Board of Commissioners and the Cities who have signed this Document, having adopted the Interlocal Agreement for Economic Development, agree that the following considerations shall be hereby adopted as the policy both

jointly and separately, in determining whether to recommend and endorse a gaming facility proposal to the Kansas Lottery Commission and the Lottery Gaming Facility Review Board.

1. All proposals will comply with all requirements set forth in Senate Bill No. 66, rules and regulations as set forth by the Kansas Lottery Commission and the Lottery Gaming Facility Review Board, the laws of the State of Kansas, and the ordinances and resolutions of the respective governments, including but not limited to those regulating planning, zoning, health and life safety.
2. All proposals must concretely describe and envision a destination and themed tourist gaming facility that mirrors and is comparable to a gaming facility of similar size, cost and amenities in other locations, including but not limited to Las Vegas and Atlantic City and that promotes a positive economic synergy with the surrounding residential, commercial and business community and the natural environment.
3. All proposals shall at a minimum set forth plans for a financial investment of not less than \$225 million as specified in Senate Bill No. 66 for the gaming facility, hotel accommodations, retail/restaurant and other ancillary facilities in accordance with the following **(Preference will be given to those proposing significant additional investment)**:
  - a. All proposed retail development shall be supplemental to and complementary in design to the destination resort development and surrounding businesses. Restaurants shall provide a complete range of food experience for customers of varied financial means.
  - b. Hotel accommodations shall be designed to mirror a destination resort facility of similar size, cost and amenities as would be within other locations, including but not limited to Las Vegas and Atlantic City.
  - c. The proposal should establish a feasible and funded transportation plan to accommodate movement between the airports in Sedgwick County and Sumner County and the proposed destination resort/gaming facility. The transportation plan should also provide for movement between the resort facility and nearby existing and future businesses and destination and tourism development projects within the county
  - d. Endorsement of the location of the facility shall be not only determined by the financial impact derived from the gaming activities but also from the total positive direct and indirect net

economic and quality-of-life impact the facility will have on the immediate surrounding area and the community-at-large.

- e. The proposal shall include a conference/convention center/concert venue that provides a wide range of adaptability to potential events.
  - f. Proposals shall commit to construction by contractors utilizing prevailing wages and utilizing labor and services reflective of the population of Sumner County and shall establish realistically attainable goals for minority, women, and local business enterprises.
  - g. Applicant shall have experience operating a similar size or larger facility and have a successful demonstrated record of working cooperatively with and supporting the communities where such gaming facilities are operated.
- (4) All geographical areas of the county are available consistent with the zoning and planning requirements of the respective government. Plans which maximize positive economic, social, retail, commercial and residential development impact are preferred. Proposers should submit feasibility studies, consultant reports and any written justification that lends credence to the positive impact the proposal will have on the surrounding commercial, retail and residential areas in proximity to the location as well as Sumner County, South Central Kansas, and the State of Kansas.
- (5) Additional preference shall be accorded to those proposals that include:
- a. Physical structure that is designed and adaptable to other potential future uses that may arise from unknown changes that may occur in the gaming industry.
  - b. Special attractions and development components attached to the gaming facility which heighten the unique quality and experience of other attractions in the surrounding vicinity.
  - c. A plan for public safety, including but not limited to, emergency medical, police and fire protection including construction of appropriate facilities for the same and such other general technology to be used to protect the public and the cost thereof.  
**Preference will be given to those proposals that commit to utilizing departments and services within Sumner County,**
  - d. All proposals shall identify infrastructure improvements necessary for access to and operation of the gaming facility,

including road, bridge, and interchange improvements; extension of utility services; and a plan for payment of the costs of such infrastructure improvements. All infrastructure improvements will meet the rules and regulations of the governing body having jurisdictional control. Some cities may require annexation into their city limits per their adopted policies on providing city services and extension of infrastructure.

- e. Additional amenities such as the inclusion of environmentally green construction/facility and sustainable technology, an indoor water park, RV park, Semi/Tour bus parking, a golf and tennis facility, dance club, spa and health club, or other such facilities.
- (6) All proposals shall be submitted to the County Clerk. The Cities and County shall consider all proposals in their respective jurisdictions. Each governing body will, by majority vote, endorse one or more proposals submitted within their respective governmental jurisdiction, to the Kansas Lottery Commission.
  - (7) Each proposal shall be considered in light of all State requirements and the above qualifications. Nothing herein guarantees endorsement of any proposal or a specific number of proposals. Proposer agrees that all documentation and materials submitted with a proposal shall remain the property of the governing bodies.
  - (8) All project participants, consultants, engineers, and contractors, must comply with all applicable Federal, State, County and local laws.
  - (9) To the fullest extent permitted by law, the proposer, its subcontractors, agents, servants, officers or employees shall indemnify and hold harmless Sumner County, the Cities participating in this document, the Sumner County Economic Development Commission, including, but not limited to, its elected and appointed officials, officers, employees and agents, from any and all claims brought by any person or entity whatsoever, arising from any act, error or omission.
  - (10) Sumner County, the Cities participating in the document will use discretion with regard to disclosure of proprietary information contained in any proposal, but cannot guarantee that information will not be made public. As governmental entities, certain information is subject to disclosure as covered under the Open Records Act. Any confidential or proprietary information contained in the proposal should be clearly identified as such.
  - (11) Bid Security:  
Proposers submitting a response to this request for proposal shall submit a bid security in the amount of \$50,000.00. Bid Security must be in the form of a Certified or Cashier's Check. Checks are to be made payable to the Sumner



County Treasurer and drawn on a solvent Kansas bank or Trust Company. Bid Securities for those proposers not selected by the Kansas Lottery Commission as the developer for the South Central gaming zone, will be returned, without interest, to said proposer as soon as practical following final decision by the State of Kansas. Bid Security from the proposer selected as the developer for the destination resort/casino in the South Central gaming zone will be retained.

- (12) Proposers shall pay a non-refundable application fee in the amount of \$1,500 per proposal for the review and analysis of applicant's proposal for endorsement. Application fee must be in the form of a Certified or Cashier's Check. Checks are to be made payable to the Sumner County Treasurer and drawn on a solvent Kansas bank or Trust Company.

#### **PROPOSAL TIMELINE; AMENDED AS OF AUGUST 28, 2007:**

The following timeline has been established by the Sumner County Commissioners for all proposals to be submitted:

Oct. 24 – 12:00PM (Noon) – Deadline for submission of written proposals

Oct. 29 and 30 – Appointments will be set for developers to make formal presentations to the Commission and any affected City.

Oct. 31 – The Commission will hold a Special Meeting to determine which proposals they will endorse.

Dates for the Cities to make their endorsements have not been set at this time.

The Board of County Commissioners advises that the above timeframes may be extended in the event circumstances require additional time to serve the best interest of the county and the cities.

Proposals are to be submitted to: Shane Shields, Sumner County Clerk  
Sumner County Courthouse  
501 N. Washington, Rm 101  
Wellington, KS 67152

It is requested that all proposals be delivered by a method which provides for a receipt of delivery. Proposals delivered in person will be given a receipt confirming delivery by the County Clerk's Office. Please mark all proposals as Destination Casino Developer Proposal on the outside of the package. Developers should submit one (1) original and six (6) copies in a sealed package.

Please direct any questions regarding submission of proposals to the County Clerk's Office 620-326-3395 or the Sumner County Economic Development Office 620-326-8779. Addendums and corrections will be posted on the Sumner County website – [www.co.sumner.ks.us](http://www.co.sumner.ks.us). It is the responsibility of the proposer to check for any changes.

City of Caldwell, Kansas

By: Authorized Signature on File

City of Conway Springs, Kansas

By: Authorized Signature on File

City of Mulvane

By: Authorized Signature on File

City of South Haven

By: Authorized Signature on File

City of Wellington

By: Authorized Signature on File

Sumner County Commission

By: Authorized Signature on File

## **Proposal Comparison Committee**

**members**

- **David R. Cooper, Attorney**
- **Gerald Gilkey, Sumner County Sheriff**
- **Jon Bristor, Director, Sumner County Planning and Zoning**
- **Janis Hellard, Director, Sumner County Economic Development Commission**
- **J. P. Buellesfeld, Buellesfeld Financial Services, Inc.**

## SUMNER COUNTY PROCESS FOR CONSIDERATION OF CASINO PROPOSALS

The Sumner County Commissioners have established the following timeline for consideration of the Casino Proposals. If anyone has any questions regarding this process, please contact one of the following individuals – David Cooper, Consultant – 785-232-7761; Shane Shields, Sumner County Clerk – 620-326-3395 or Janis Hellard, Director Sumner County Economic Development Commission – 620-326-8779.

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|-------------------------------|--|
| Nov. 28, 2007, 12 p.m.        | Proposals due. Draft pre-development agreement distributed to those submitting proposals. Endorsed applicants must agree to enter into pre-development agreement and must have someone with authority to sign for endorsed applicant at the hearing on Dec. 12, 2007.  |
| Nov. 28, 2007, 1 p.m.         | Proposals distributed to BOCC and Proposal Comparison Committee Members ("PCC") for individual review.   |
| Nov. 28, 2007, approx. 4 p.m. | Digital copies of proposals released   |
| Dec. 5-7, 2007, 9 a.m.        | PCC meet to draft proposal summary and comparison spreadsheet to be distributed to BOCC.<br><br>Final proposal summary and comparison spreadsheet distributed to BOCC, on or before Dec. 7.  |
| Dec. 10, 2007, 12 p.m.        | Deadline to sign up to speak during public comment period of public hearings.<br><br>Public comments are limited to 3 minutes per speaker. Comments must be addressed to the issue at hand – the question of BOCC endorsement of proposals. Comment on other matters is discouraged. Speakers must be signed up by the deadline, or they will not be allowed to speak.   |
| Dec. 10-11, 2007              | Public hearings on proposals (order of presentations will be decided by lot, working backwards from final proposal). <b>Location: Raymond Frye Complex, 320 N. Jefferson, Wellington.</b> Start time on Dec. 10, will be determined by the number of proposals received.<br><br>Each applicant allotted 90 minutes to make presentations and field questions from BOCC.<br><br>Public comment period will commence after the noon recess on Dec. 11. Hearings close. |
| Dec. 12, 2007                 | BOCC meets in special session to discuss and vote on endorsement of proposal(s). Time and location: To be Determined and announce at a later date.   |

*\*This document provides a general overview of the process and is distributed for informational purposes only. It is subject to change at any time.*

## ADDENDUM

### GAMING FACILITY CRITERIA AND DEVELOPMENT PREFERENCES FOR FACILITIES TO BE LOCATED IN SUMNER COUNTY, KANSAS

#### B. JOINT SELECTION CRITERIA AND PREFERENCES

- (13) Proposers may submit more than one proposal. This is designed to allow proposers to submit proposals for multiple locations within the county.
- (14) All proposals shall be submitted on electronic media (CD-ROM, DVD-ROM, or USB Flash Drive) with electronic files in .pdf or .tif format. This is in addition to the one (1) original and six (6) hard copies required to be submitted to the County Clerk's Office.

#### C. ADDITIONAL REQUIREMENTS

Any applicant receiving an endorsement from the County will be required to enter into a Predevelopment Agreement with the County which includes the following terms:

1. Revenue. The applicant shall pay lottery gaming revenues to Sumner County, Sedgwick County, and any City (if applicable) the percentages set forth in SB 66. Additionally, applicant shall pay all real property ad valorem and sales taxes as the same become due and payable, subject to any rights of protest.
2. Development of the Project. Applicant agrees to develop a first class project. The project shall be generally consistent in its program components as depicted on a preliminary master plan provided by the applicant contemporaneous with the Predevelopment Agreement. Applicant shall make, or cause to be made, a capital investment of at least Two Hundred and Twenty Five Million Dollars (\$225,000,000), as defined in SB 66 and its regulations in development of the preliminary master plan.
3. Provision for Adequate Infrastructure. Applicant agrees that in the development of the project, it shall construct, cause to be constructed, or provide the funds to the County for construction of adequate infrastructure to serve the project. Adequate infrastructure shall mean roadways, utilities, and public safety and emergency service facilities in a size and type to serve the employees and patrons of the project as determined by mutual agreement of the professional planning, engineering, and technical consultants of applicant and County. Applicant shall agree to purchase and supply designated police, emergency and fire equipment and technology necessitated by the project.
4. Professional Consultants. Applicant shall agree to reimburse the County for the reasonable expenses incurred by the County for professional consultants it may

hire to review the construction and development of the project, including outside legal counsel to advise and assist the County. Such expenses incurred by the County will be reimbursed in equal shares by all applicants endorsed by the County. Upon selection and approval by the Lottery Commission and the Kansas Racing and Gaming Commission of the manager of the South Central Gaming Zone, the chosen manager shall agree to reimburse the County for the entire amount of reasonable expenses incurred by the County for professional consultants it may hire to review the construction and development of the project, including outside legal counsel to advise and assist the County, for services rendered after the date the manager is selected and approved.

5. Intentionally Omitted.
6. Negative Covenants. In connection with the development of the Project, applicant shall NOT:
  - a. Request that the County use its power of eminent domain to acquire any interest in real property for the Lottery Gaming Enterprise;
  - b. Request the use of STAR Bond or Tax Increment Financing for construction of the Lottery Gaming Enterprise;
  - c. Request the use of Revenue Bonds for construction of the Lottery Gaming Enterprise; or
  - d. Request the abatement of real property taxes for the Lottery Gaming Enterprise.
7. Development Agreement. Following receipt of the final approval of applicant as the manager of the South Central Gaming Zone, the parties shall enter into a Development Agreement mutually agreeable to the parties, which will set forth in detail the obligations and duties of the parties regarding the construction and operation of the proposed project.
8. Applicable Law and Venue. The Predevelopment Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with the Predevelopment Agreement shall lie in the District Court of Sumner County, Kansas, and/or the District Court of Shawnee County, Kansas.

**SUMNER COUNTY  
PROPOSAL COMPARISON COMMITTEE**

**FINAL REPORT**

**December 6, 2007**

	A	B	C	D	E	F	G	H	I
1			<b>Penn Gaming</b>		<b>Harrah's</b>		<b>Foxwoods</b>		<b>Binions</b>
2									
3	<b>Annual Gamer Visits</b>		3.2 mil		3.1 mil		2.7 mil		2.7 mil
4	<b>From Outside 50 miles annual</b>		900,000 w/in 45 miles		1,054,000		783,000		547,000
5	<b>Green Facility</b>		Yes		Yes		Yes.		Yes - verbal
6	<b>Est. Open Date</b>		2d Q 2010 29 months -		1st Q 2010		May-10		24 months from approval
7	<b>Equipment Costs</b>		76.3 mil		95 mil		61.2 mil		60 mil
8	<b>Adapt for Future Use</b>		Yes		Yes		Yes		Yes
9	<b>Est. Non-Gaming Revenue</b>		34.3 mil		27 mil excl. comps		38 mil non-game rev.		47 mil
10	<b># Jobs FT/PT</b>		1149 direct 1315 indirect		1470 direct 770 indirect		1450 direct 1050 indirect		1500 direct 1309 indirect
11	<b>Avg. Wage</b>		40,000 b/t; 19.23 hr		40,586 19.50 hr		37,931		37,440/18.00 hr
12	<b># Security Force</b>		69 sec/14 surv.		61 sec/19 surv.		90 sec/30 surv.		106 - 86 gen/20 surv
13	<b># Jobs During Constr.</b>		1,400 direct/2,500 indirect		1550 direct/2205 indirect		1,000 direct/3,300 indirect		1000 direct/2200 indirect
14	<b>Est. Annual Payroll</b>		44 mil		62 mil		55 mil		56.16 mil
15	<b>Benefits</b>		Full package		Full package		Full package		Full package
16	<b>Total Inv. in Project</b>		365 mil		450 mil/50 mil adtl dev		425 mil		350 mil
17	<b>Est. Prop. Value of Facility</b>		203.7 mil		296 mil 47 mil adtl dev		280 mil		300 mil
18	<b>Assessed Value</b>		50.93		85.75 mil		70 mil		75 mil
19	<b>% Inc. Cty. Ass. Value (presently \$170 mil)</b>		30%		50%		41%		44%
20	<b>Est. Bed Tax</b>		1,140,000		none		none		149,000
21	<b>Est. State 22% (stable)</b>		55.6 mil		60.2 mil		49.5		53.8
22	<b>Est. County 2% (stable)</b>		5.06 mil		5.5 mil		4.5 mil		4.89 mil
23	<b>If Split Est City 1%/County 1% (stable)</b>		2.53/2.53 mil		2.75/2.75 mil		2.25/2.25 mil		2.45/2.45 mil
24	<b>Add'l Funding Prop.</b>		see below		see below		see below		see below
25	<b>Gaming Floor SF</b>		70,000		70,000		71,200		65,000



	A	B	C	D	E	F	G	H	I
26			<b>Penn Gaming</b>		<b>Harrah's</b>		<b>Foxwoods</b>		<b>Binions</b>
27	# Slots		1500		2000		2000		2000
28	# Gaming Tables		40		50		50		50 table; 15 electric
29	<b>Poker Room</b>		Yes		Yes		Yes		12 tables
30	<b>Special Gam. Events</b>		Will host WPT Events		World Series of Poker		world poker tour?		Major Poker Tourn.
31	<b>Casino Location</b>		SE corner Seneca/160		SE corner US 81/K53		NE corner 140 ave/US81		SW corner Seneca/160
32	<b>Facility SF</b>		452,672		427,239		442,800		570,000
33	<b>Theme of Resort</b>		Hollywood		Prairie Style Architecture		Prairie Style Architecture		Frank Lloyd Wright Arch.
34	<b>Convention Floor SF (see explanation)</b>		30,000SF 1750 seats		30,338		40,200		40,000 multi purp, 2000 seats
35	<b># Hotel Rooms see explanation</b>		350		275		250		300
36	<b>Ent. Venue SF/Seats</b>				Outdoor Amp 7653 sq ft w/ 5,000 cap. standing; inside venue 13,566 sq ft w/1,500 cap.		37,000 sq ft		
37	<b>Restaurant/Bars &amp; Lounge see explanation</b>		5 rest./1 bar		5 rest./3 bars		6-9 rest./ multiple bars		4
38	<b>RV Park/Water Park</b>		50 RV/50 semi		44 RV		In later phase.		100 RV/50 semi
39	<b>Pools see explanation</b>		Yes		Yes - 2		Yes.		Yes - indoor
40	<b>Spa/Health Club</b>		2000 SF		4275 SF		10,000 SF		2000 SF
41	<b>Golf Course see explanation</b>		In later phase.		18 hole		In later phase.		local course improvements
42									
43	<b>Retail Amenities</b>		1500 SF ret./museum		2567 at casino; 15,000 at second loc.		6,000 SF reg.		10,000 SF
44	<b>Other Amenities</b>		see phase		see phase		see phase		see phase
45	<b>Future Expansion</b>		2,000		to be det.		if market warrants		as needed - verbal
46	<b>Gaming Rev Yr 1</b>		113.5 mil		206 mil		189.9 mil		216 mil
47	<b>Est. Rev. After Yr 1</b>		179.7 mil		252 mil		209 mil		224.5 mil
48	<b>Stable Op. Rev.</b>		252.9 mil		274 mil		225 mil		244.7 mil
49	<b>Spend/Win Per Patron</b>		\$80/\$89 year 3 stable		\$70		\$70 year 1		\$85-88 year 3 stable

	A	B	C	D	E	F	G	H	I
50			<b>Penn Gaming</b>		<b>Harrah's</b>		<b>Foxwoods</b>		<b>Binions</b>
51	<b>Security Priv. or Contract</b>		Penn		Harrah's		Foxwoods		Binions
52	<b>Smoking/Non-Smoking</b>		as perm by law w/desig smoking areas		non-smoking		Smoking		smoking
53	<b>Site Acreage</b>		120/85 casino		500/95 casino		145.5/30 addtl		140
54	<b>Water Tower</b>		500,000		not needed		500,000		500,000
55	<b>Status of Zoning</b>		complete upon annex		casino complete, addt pending		casino complete, addt pending		rezone done, special use pending
56	<b>Local hire pref. contractors</b>		yes - verbal		yes		yes		yes
57	<b>Fast Tract Plan</b>		yes - verbal		yes - verbal		yes		if req by state
58	<b>Start Construction</b>		2nd Q 2008 - verbal		day after approval		May-08		day after approval
59	<b>Ecolog Impact Waste/Poll.</b>		y - studies ponds etc		y - storm water, ponds		will study		yes
60	<b>Hwy Ingress/Egress</b>		Seneca		81, 53		35, 81		Seneca (per KDOT/City)
61	<b>Daily Traffic Ct.</b>		5,000 weekdays		5,600		4,990		3,000
62	<b>KTA/KDOT Approval</b>		Met w/ KTA 12/6/07		yes		yes		verbal comm.
63	<b>Improvement Notes</b>				skywalk across 81		special exit I-35		
64	<b>Parking Spaces</b>		2,859		3,190		2,500		3,000
65	<b>Trans Plan Facility</b>		shuttle		shuttle		shuttle		Binions, outsourced
66	<b>Water/Sewer</b>		Wellington Annex		Mulvane - backup plan also		Mulvane - backup plan also		Wellington Annex
67	<b>Electric</b>		Wellington Annex		Westar		Westar		Wellington Annex
68	<b>Waste Disp.</b>		Wellington Annex		will solicit bids to local		will contract w/ Waste Mgt or Waste Conn.		Wellington Annex
69	<b>Dist to Hosp/Airport</b>		34.7 to ICT 3.1 to Hosp.		20.6 to ICT 18.5 to Hosp.		20.6 to ICT 18.5 to Hosp.		34.7 to ICT 3.1 to Hosp.
70	<b>Fire/EMS see explanation</b>		Fire truck, if needed.		station, equipment, land		station Co 1% equipment, staffed through interlocal agrmt		station, equipment, will pay for training facility
71	<b>Police</b>		None		Yes		Yes		Yes
72	<b>Commit to Pay Infra.</b>		Yes		Yes		Yes		Yes

**Penn National addtl funding**

Challenger - 4,132 month until mortgage pd off - 12,500 yr for 10 years for missions - to send every 5th grader in Sumner County to the Challenger Chamber - 62,440 for 10 yrs  
ED - 40,586 for 10 yrs  
Visual Display area for local merchants  
Downtown Dev - 250,000 first yr and addtl contributions for 10 yrs

**Harrah's add'l funding**

Level 1.5 mil annually to be used at discretion of Sumner County - for life of project.

**Foxwoods add'l funding**

1%\* to be used for fire and ems equip and personnel then split among cities.

**Binions'/Marvel add'l funding**

1%\* to ED growth fund to be used for infrastructure, housing, diversify eco base - administered by SCEDC - 75% of funds to be used in City of Wellington, 25% in the rest of county - for life of project.

\*of gross gaming revenue  
ED=Economic Development

**Convention Space**

<b>Penn</b>	4,000 sq ft banquet space/boardroom space in hotel; 30,000 sq ft convention space/1,750 seats
<b>Harrahs</b>	30,338 sq ft/1,500 person convention space, ballroom 13,600, 4 breakout rooms - 675 sq ft each, boardroom - 690 sq ft
<b>Foxwoods</b>	40,200 sq ft convention space; flat, multipurpose floor with stage and balcony, can be divided into 3 rooms
<b>Binions</b>	5 rooms 400-2000 sq ft in hotel for meetings; 40,000 sq ft multi purpose arena with 2,000 seats

**Retail Space**

<b>Penn</b>	Unspecified retail space for Phase II
<b>Harrah's</b>	50,000 sq ft in Phase I; Second location zoning app. not yet filed.
<b>Foxwoods</b>	50,000 sq. ft. for major retailers (Phase III)
<b>Binions</b>	

**Pool s**

<b>Penn</b>	4,000 outdoor garden pool area/ pool 1500
<b>Harrahs</b>	2 pools, 1 med size, 1 villa area
<b>Foxwoods</b>	Pool in phase I
<b>Binions</b>	Indoor Pool

### **Hotel Rooms**

**Penn** 350 - 375 sq ft - 17 luxury  
**Harrahs** 175 at casino, 30 lux, 5 pool villas; 100 at second hotel (phase I) (zoning app. not yet filed on second hotel)  
**Foxwoods** 250 - 500 sq ft - 24 lanai suites  
**Binions** 300 - 400 sq ft - 550 sq ft - 30 Suites

### **Restaurants**

**Penn** 400 Seat Buffet, 175 seat specialty, 125 seat Hollywood, 45 seat casual dining, 200 seat sports bar  
**Harrahs** Paula Dean Steakhouse, Toby Keith Bar and Grill, Midwest largest Buffet, food court, café  
**Foxwoods** Steakhouse, Asian, Italian, Mexican, Seafood, or BBQ; coffee house, food court, buffet  
**Binions** Bistro, Steakhouse, Buffet-Best of Kansas, Fast Food, Live Action Tables at Buffet

### **Night Clubs/Bars**

**Penn** 200 seat sports bar  
**Harrahs** City Block, plus Marquee, Anheuser Busch sports bar, cabaret featuring local  
**Foxwoods**  
**Binions** 3 - 2 on casino floor - 1 lounge

### **Fire/EMS**

**Penn** Nothing additional proposed  
**Harrahs** Station, equip, land, and upkeep on station. Locals to staff; for use by surrounding neighborhood.  
**Foxwoods** Will build station & donate to county - Equip. and Staff come from add'l 1%; Assist w/ training  
**Binions** Station, equip (ladder truck) Maint. subsidy not to exceed 24K/year; 4.3 mil for facility, truck and equip.

### **Residential Development**

**Penn** 310 Houses (Malone Constr.);  
**Harrahs** 100 apts, 100 residential - west side of 81  
**Foxwoods**  
**Binions**

### **Golf Course Information**

**Penn** 9 hole - Executive Course  
**Harrahs** 353 total acres 200 acre course - club house - designed by top names in golf - golf school - 18 holes  
**Foxwood** 18 hole golf - Executive Course  
**Binions** \$2 mil commitment to improvement of City of Wellington Golf Course.

## **LATER PHASES (from proposals)**

### **Foxwoods/MGM Grand**

#### **Phase II**

- Water park
- RV park
- Parking structure

#### **Phase III**

- 18-hole executive golf course
- Retail sports outlet

#### **Phase IV**

- Casino expansion
- Hotel expansion

### **Penn National**

Future development would occur in multiple phases, and likely include some or all of the following components:

- An expanded casino, which would include more of the slot machines and table games popular with our guests;
- A retail promenade, featuring well-known luxury brands and popular restaurants;
- Additional convention space;
- Additional hotels to accommodate a growing influx of overnight guests;
- A cinema-entertainment complex featuring first-run movies;
- Additional entertainment attractions, including a water park and skeet-shooting facility; and
- Additional garage space to support the expected increase in traffic.

### **Harrah's**

As described in the previous section, our long-term vision for the resort includes a multi-phase expansion that would add the following components:

- Casino expansion
- Retail promenade
- Additional convention space
- Additional hotels
- Movie theaters
- Additional entertainment attractions
- Additional parking garage

### **Marvel Gaming**

Our proposal does not include additional phases, for projection purposes. Our proposal is expandable based on success and community need.

## **Correspondence Received Results**

Correspondence to the Board of County Commissioners from members of the public was logged by the County Clerk's office and tabulated according to the following categories.

### **The Board received 1,706 pieces of written correspondence.**

- 1,016 advocated a Wellington site
- 236 opposed a Mulvane site
- 14 advocated a Mulvane site
  
- 41 expressed general opposition to any casino
- 399 generally supported a casino at any location in Sumner County

A RESOLUTION OF ENDORSEMENT FOR THE OPERATION OF A LOTTERY GAMING FACILITY BY MARVEL GAMING LLC IN SUMNER COUNTY, KANSAS:

**WHEREAS**, Senate Bill 66, the Kansas Expanded Lottery Act (the "Act"), was approved by the Kansas Legislature, signed by the Governor, and was published in the Kansas Register, Vol. 26, No. 16, Pg. 518 on April 19, 2007; and

**WHEREAS**, the Act provides for the development of one lottery gaming facility per Gaming Zone in the State, as defined in the Act; and

**WHEREAS**, Sedgwick County and Sumner County are the counties located in the Southcentral Kansas Gaming Zone; and

**WHEREAS**, the Act provides that each county in each gaming zone must submit to the qualified voters a resolution to permit the operation of a Lottery Gaming Facility within the County; and

**WHEREAS**, Sedgwick County called an election on August 7, 2007, presenting the question of whether to permit a Lottery Gaming Facility in Sedgwick County; and

**WHEREAS**, the qualified voters in Sedgwick County voted against the development and operation of Lottery Gaming Facility in Sedgwick County; and

**WHEREAS**, Sumner County called an election on December 20, 2005, presenting the following question on the ballot:

"Question: Do you support a destination resort casino in Sumner County, Kansas, in the event such is legally permitted by the state and is otherwise deemed in the best interest of the County by the Board of County Commissioners?"

**WHEREAS**, the question was approved with 4,842 votes in favor and 2,838 against; and

**WHEREAS**, the election was duly noticed, conducted, and the votes counted and canvassed in the manner provided under Kansas law; and

**WHEREAS**, the qualified voters voted in favor of the development and operation of Lottery Gaming Facility in Sumner County and the certified results were transmitted to the Lottery Commission; and

**WHEREAS**, the Lottery Commission waived the requirement that an election be held in Sumner County after the effective date of the Act as the previous election regarding destination casinos held on December 20, 2005, was determined to in substantial compliance with the election required under the Act; and

**WHEREAS**, the Act requires a Resolution of Endorsement from the County of any prospective Lottery Gaming Facility Manager submitting a Lottery Gaming Facility Management Contract to

the Lottery Commission; and

**WHEREAS**, Sumner County solicited statements of qualifications for parties seeking a Resolution of Endorsement from the County as a Lottery Gaming Facility Manager; and

**WHEREAS**, the County called a public hearing on December 10 and 11, 2007, ("Public Hearing") to receive information and testimony in support of prospective Lottery Gaming Facility Managers regarding their qualifications, proposed sites for the Lottery Gaming Facility, and specific development plans for the Lottery Gaming Facility and ancillary development; and

**WHEREAS**, the following parties presented statements of qualification at the Public Hearing: Penn Sumner LLC, Sumner Gaming Ventures LLC (Foxwoods), Sumner Gaming Joint Venture LC (Harrah's) and Marvel Gaming LLC; and

**WHEREAS**, after duly considering all information and testimony provided at the Public Hearing the County determined that Marvel Gaming LLC possessed the qualifications and financial resources to operate a Lottery Gaming Facility in Sumner County, Kansas, and

**WHEREAS**, Marvel Gaming controls a parcel of land in close proximity to Wellington, Kansas, and proposes this as the location for development and operation of a Lottery Gaming Facility; and

**WHEREAS**, Sumner County has determined this location is well suited to attract tourism and enhance the economic development prospects of the County and State; and

**WHEREAS**, to facilitate the location of the Southcentral Kansas Lottery Gaming Facility in Sumner County the County has determined it is in the best interest of the County based on the information and testimony provided at the Public Hearing and independent investigations of prospective Lottery Gaming Facility Managers to issue a Resolution of Endorsement at this time.

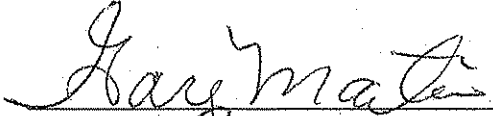
**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE BOARD OF COMMISSIONERS OF SUMNER COUNTY, KANSAS:**

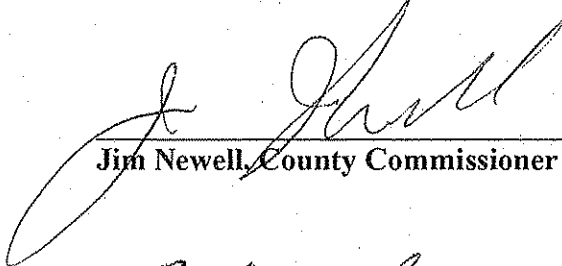
Marvel Gaming LLC is hereby provided the Endorsement of the County for the position of Lottery Gaming Facility Manager for a Sumner County Lottery Gaming Facility.

The Endorsement of the County is subject to the execution of a Predevelopment Agreement between the County and Marvel Gaming LLC in a form satisfactory to the County.



PASSED BY THE BOARD OF COUNTY COMMISSIONERS OF SUMNER COUNTY,  
KANSAS, THIS 12<sup>th</sup> DAY OF DECEMBER, 2007.

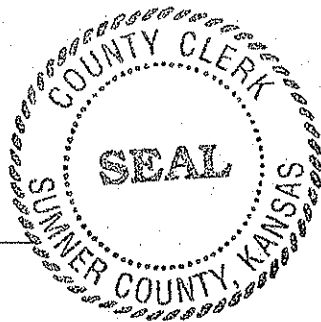
  
Garey Martin, County Commissioner

  
Jim Newell, County Commissioner

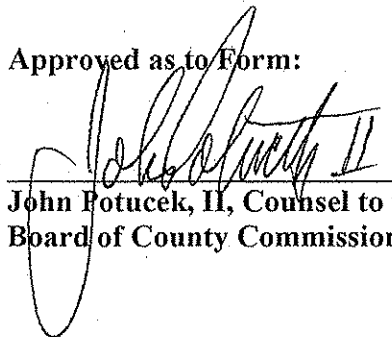
  
Eldon Gracy, County Commissioner

Attest:

  
Shane Shields, Sumner County Clerk



Approved as to Form:

  
John Potucek, II, Counsel to the  
Board of County Commissioners

## PREDEVELOPMENT AGREEMENT

THIS PREDEVELOPMENT AGREEMENT (this "Agreement") is entered into as of the 12<sup>th</sup> day of December, 2007 (the "Effective Date"), between the Board of County Commissioners of Sumner County, Kansas ("County"), and Marvel Gaming LLC ("Applicant") (the County and Applicant are hereby collectively referred to as the "Parties").

### RECITALS

A. WHEREAS, the County is a duly organized and existing body corporate and politic under the laws of the State of Kansas; and

B. WHEREAS, the County pursuant to K.S.A. 19-101 *et. seq.*, and such other relevant statutory provisions, has the authority to promote the general and economic welfare of the County, to encourage development in order to enhance the local tax base and the creation of employment opportunities, and to enter into contractual agreements with landowners and prospective employers to achieve those purposes; and

C. WHEREAS, Senate Bill 66, the Kansas Expanded Lottery Act (the "Act"), was approved by the Kansas Legislature, signed by the Governor, and was published in the Kansas Register, Vol. 26, No. 16, Pg. 518 on April 19, 2007, and all defined terms used herein shall have the meanings ascribed to them in the Act unless the context clearly requires to the contrary; and

D. WHEREAS, the Act provides for the development of one Lottery Gaming Facility or Lottery Gaming Enterprise per Gaming Zone in the State, as defined in the Act; and

E. WHEREAS, Sumner County and Sedgwick are the counties located in the South central Kansas Gaming Zone; and

F. WHEREAS, the Act provides that each county in each gaming zone must submit to the qualified voters a resolution to permit the operation of a Lottery Gaming Facility within the County further provides that the election requirement may be waived by the Lottery Commission if that body determines "that after December 31, 2004, and before the effective date of this act, the county has held an election of qualified voters pursuant to the county's home rule authority: (1) At which the ballot question was in substantial compliance with the requirements of this section; (2) which was administered by the county election officer in a manner consistent with the requirements of state election law; and (3) at which a majority of the votes cast and counted was in favor of the proposition." and

G. WHEREAS, the County called an election on December 20, 2005, upon the question of "Do you support a destination resort casino in Sumner County, Kansas, in the event such is legally permitted by the state and is otherwise deemed in the best interest of the County by the Board of County Commissioners?"; and

H. WHEREAS, the question was approved with 4,842 votes in favor and 2,838 against; and

I. WHEREAS, on June 22, 2007, the Kansas Lottery Commission approved the election of December 20, 2005, pursuant to Section 6(e) of the Act; and

J. WHEREAS, the Act requires a Resolution of Endorsement from the County of any prospective Lottery Gaming Facility Manager, (the "Manager"), submitting a Lottery Gaming Facility Management Contract, (the "Management Contract"), to the Lottery Commission; and

K. WHEREAS, the County solicited proposals from parties seeking a Resolution of Endorsement from the County to serve as a Manager; and

L. WHEREAS, the County conducted public hearings on December 10 and 11, 2007 ("Public Hearing") to receive information and testimony in support of prospective Managers regarding their qualifications, proposed sites for the Lottery Gaming Facility, and their specific development plans for a Lottery Gaming Facility or Lottery Gaming Enterprise (collectively referred to herein as the "Project"); and

M. WHEREAS, the Applicant submitted a proposal and appeared and presented information and testimony at the Public Hearing; and

N. WHEREAS, after duly considering all information and testimony provided in advance of and at the Public Hearing the County determined that the Applicant possesses the qualifications and financial resources to construct the Project in Sumner County, Kansas and the Applicant possesses the qualifications and financial resources to manage the Project; and

O. WHEREAS, the Board of County Commissioners deems it in the best interest of the County that a Lottery Gaming Facility be permitted in the County; and

P. WHEREAS, the County has determined this Project proposed by Applicant is well suited to attract tourism and enhance the economic development prospects of the County and State; and

Q. WHEREAS, to facilitate the location of the South central Kansas Lottery Gaming Facility in Sumner County the County has determined it is in the best interest of the County based on the information and testimony provided at the Public Hearing and review of prospective Managers to issue a Resolution of Endorsement and enter into this Agreement; and

R. WHEREAS, the County desires to implement the Act and to support the Project provided there is no cost to the County to do so;

NOW, THEREFORE, in consideration of the foregoing recitals, mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1) Resolution of Endorsement. The County agrees to provide a resolution of endorsement to Applicant pursuant to Section 5(a) of the Act. Subject to terms and conditions set forth herein.
- 2) Agreements of the Applicant.
  - a. Revenue. The applicant shall pay lottery gaming revenues to Sumner County, Sedgwick County, and any City (if applicable) the percentages set forth in SB 66. Additionally, applicant shall pay all real property ad valorem and sales taxes as the same become due and payable, subject to any rights of protest.
  - b. Development of the Project. Applicant agrees to develop a first class project. The project must substantially conform to its program components as described in the Phase I proposal submitted by Applicant to Sumner County during the endorsement process. Applicant shall make, or cause to be made, a capital investment of at least Two Hundred and Twenty Five Million Dollars (\$225,000,000), as defined in SB 66 and its regulations in development of the preliminary master plan.
  - c. Provision for Adequate Infrastructure. Applicant agrees that in the development of the project, it shall construct, cause to be constructed, or provide the funds to the County for construction of adequate infrastructure to serve the project. Adequate infrastructure shall mean roadways, utilities, and public safety and emergency service facilities in a size and type to serve the employees and patrons of the project as determined by mutual agreement of the professional planning, engineering, and technical consultants of applicant and County. Applicant shall agree to purchase and supply designated police, emergency and fire equipment and technology necessitated by the project.
  - d. Professional Consultants. Applicant shall agree to reimburse the County for the reasonable expenses incurred by the County for professional consultants it may hire to review the construction and development of the project, including outside legal counsel to advise and assist the County. Such expenses incurred by the County will be reimbursed in equal shares by all applicants endorsed by the County. Upon selection and approval by the Lottery Commission and the Kansas Racing and Gaming Commission of the manager of the South Central Gaming Zone, the chosen manager shall agree to reimburse the County for the entire amount of reasonable expenses incurred by the County for professional consultants it may hire to review the construction and development of the project, including outside legal counsel to advise and assist the County, for services rendered after the date the manager is selected and approved.

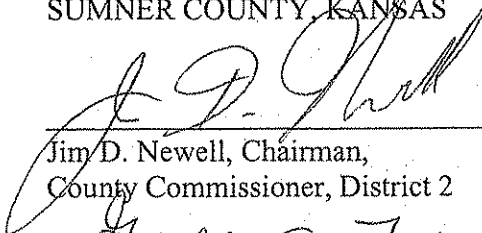
- e. Negative Covenants. In connection with the development of the Project, applicant shall NOT:
1. Request that the County use its power of eminent domain to acquire any interest in real property for the Lottery Gaming Enterprise;
  2. Request the use of STAR Bond or Tax Increment Financing for construction of the Lottery Gaming Enterprise;
  3. Request the use of Revenue Bonds for construction of the Lottery Gaming Enterprise; or
  4. Request the abatement of real property taxes for the Lottery Gaming Enterprise.
- f. Development Agreement. Following receipt of the final approval of applicant as the manager of the South Central Gaming Zone, the parties shall enter into a Development Agreement mutually agreeable to the parties, which will set forth in detail the obligations and duties of the parties regarding the construction and operation of the proposed project.
- g. Applicable Law and Venue. The Predevelopment Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with the Predevelopment Agreement shall lie in the District Court of Sumner County, Kansas, and/or the District Court of Shawnee County, Kansas.
- 3) Development Agreement. Following receipt of the final approval of Applicant as the Manager of the Project, the parties shall enter into a Development Agreement mutually agreeable to both parties, which will set forth in detail the obligations and duties of the parties regarding the construction and operation of the proposed Project.
- 4) State of Kansas Rules and Regulations. The Commission and R&G Commission are in the process of drafting rules and regulations pursuant to the provisions of the Act ("Act Regulations"). Following the promulgation of the Act Regulations, in the event any of the provisions of this Agreement are in violation of the Act Regulations, the parties agree to modify such affected provision to comply with the Act Regulations or, if such provision cannot be modified so as to comply with the Act Regulations, to delete the same from this Agreement.

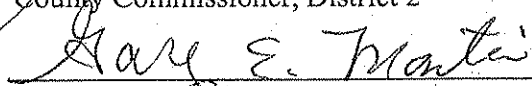
5) Miscellaneous.

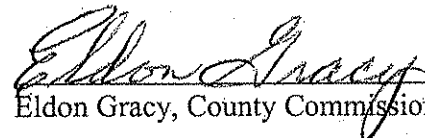
- a. Assignability. Neither party will assign this Agreement without the written consent of the other party except that APPLICANT may assign this agreement to a wholly owned direct or indirect subsidiary of Applicant;
- b. Amendments. This Agreement may be supplemented or amended only by written instrument executed by the Parties affected by such supplement or amendment.
- c. Applicable Law and Venue. This Agreement will be deemed to be entered into in the State of Kansas, and will be enforceable under the laws of that state. Venue for any dispute in connection with this agreement shall lie exclusively in the District Court of Sumner County, Kansas and/or the District Court of Shawnee County, Kansas.
- d. Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.
- e. Binding Effect. This Agreement will inure to the benefit of, and be binding upon the parties hereto, and the permitted successors and assigns of the parties.
- f. No Partnership. The provisions of this Agreement are not intended to create, nor shall they in any way be interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the Parties.
- g. No Waiver of Immunity. The provisions of this Agreement are not intended in any way to waive any form of governmental immunity by the County.
- h. Counterparts. This Agreement may be executed in one or more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be original, and all of which shall constitute one and the same instrument.
- i. Entire Agreement. This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings or agreements with respect to such subject matter.

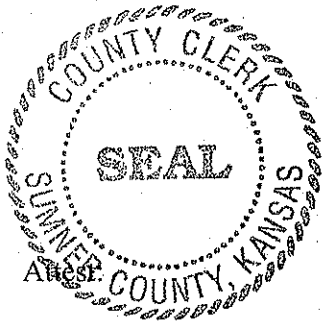
IN WITNESS WHEREOF, the Parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

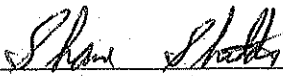
THE BOARD OF COUNTY COMMISSIONERS OF  
SUMNER COUNTY, KANSAS

  
\_\_\_\_\_  
Jim D. Newell, Chairman,  
County Commissioner, District 2

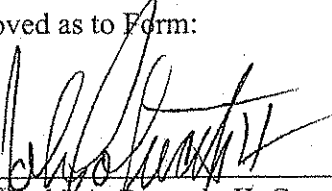
  
\_\_\_\_\_  
Garey E. Martin, County Commissioner, District 1

  
\_\_\_\_\_  
Eldon Gracy, County Commissioner, District 3



  
\_\_\_\_\_  
Sharon Shultz  
Sumner County Clerk

Approved as to Form:

  
\_\_\_\_\_  
John "Jack" A. Potucek, II, County Counselor

Marvel Gaming LLC

By:

Name:   
\_\_\_\_\_

Title:   
\_\_\_\_\_